



RESOLUTION

URGING THE CITY ADMINISTRATION TO DIVERT ALL RECYCLABLE MATERIALS TO H-POWER.

WHEREAS, in recognition of the need to conserve energy and natural resources and the shortage of appropriate landfill sites on Oahu, the City has had a longstanding commitment to the diversion of solid waste from landfills by either recycling such waste or reusing it to create electricity at the City's H-Power facility; and

WHEREAS, City ordinances address the recycling of discarded materials, including aluminum cans, batteries, corrugated cardboard, food waste, glass containers, green waste, and metal scraps; and

WHEREAS, the City has demonstrated its commitment to recycling by initiating programs such as island-wide curbside recycling, mandatory business recycling, mandatory City agency recycling, recyclable material drop-off facilities, and various public awareness and educational programs; and

WHEREAS, the City currently has contracts to process and recycle various types of solid waste, including aluminum, glass, paper, food waste, and green waste; and

WHEREAS, certain types of solid waste must be shipped overseas to be recycled because of the lack of local recycling facilities, according to the City's recycling contractor, glass gets shipped to California, aluminum goes to Alabama and lower-value recyclables, such as plastic, cardboard, and paper, get shipped to China; and

WHEREAS, as early as 1988, the Council, through the adoption of Resolution 88-355, established a City policy on solid waste management that included the production or recovery of energy from waste material; and

WHEREAS, in 1990, the City, pursuant to an agreement between the City and Covanta, began operation of the H-Power facility, which converts solid waste into electricity; and

WHEREAS, in 2012, the H-Power facility's service capacity was increased by almost 50 percent with the addition of a third boiler; and

WHEREAS, in 2013, due at least in part to the increased service capacity at H-Power, the amount of solid waste that the City guaranteed for delivery to H-Power was increased from 561,000 tons to 800,000 tons annually, and the City became obligated to pay Covanta for any lost electrical revenue resulting from the City's failure to deliver the guaranteed amount; and



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WHEREAS, between 2013 and 2016, the City failed in its obligation to provide the guaranteed amount of solid waste, in an amount totaling 382,840 tons of solid waste, and has therefore had to pay the operator \$6,228,866 for lost electrical revenue; and

WHEREAS, in 2016, Honolulu's total municipal solid waste was 1,211,876 tons, of which 430,831 tons, or 35.6 percent, was recycled general material; and

WHEREAS, in 2016, the total municipal solid waste diverted from the landfill was 954,714 tons, a diversion rate of 78.8 percent; and

WHEREAS, through the adoption of Resolution 15-315, the Council requested that the City Auditor conduct a performance audit of the City's recycling program, and among the issues to be considered by the Auditor, was an assessment of the comparative costs and benefits of recycling versus diverting recyclable materials to H-Power; and

WHEREAS, on October 24, 2017, the Office of the City Auditor released its Audit of the City's Recycling Program, which included the following findings:

1. The downturn in the market for the sale of recycled materials has reduced City revenues for these materials, and the continuing expense to process materials collected by the recycling program costs the City over \$3 million per year;
2. The City continues to be obligated to provide the H-Power operator with 800,000 tons of solid waste so that H-Power can generate sufficient revenues from the sale of electrical energy;
3. The recurring shortfalls in the amount of guaranteed solid waste have ranged from 50,000 tons to 121,000 tons;
4. It is estimated that the lost electrical energy revenues by the H-Power operator have cost, and will continue to cost, the City over \$1,000,000 a year; and
5. If the City diverts all recyclable materials to H-Power, the City will realize cost savings of over \$4,000,000 a year; and



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

No. 17-311

RESOLUTION

WHEREAS, it is the Council's understanding that the diversion of recyclable materials to H-Power will result in minimal impact to the City's environment because improvements made to H-Power assure low levels of air and other types of pollution; now, therefore,

BE IT RESOLVED by the Council of the City and County of Honolulu that the City Administration is urged to divert all recyclable materials to H-Power as expeditiously as possible; and

BE IT FINALLY RESOLVED that copies of this Resolution be transmitted to the Mayor, the Managing Director, and the Director of the Department of Environmental Services.

INTRODUCED BY:

Alycia Puni

DATE OF INTRODUCTION:

NOV 1 2017

Honolulu, Hawaii

Councilmembers